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Volume 12
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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
August 1967

Number 1

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - AUGUST 1967

The Chattanooga Order MINIMUM uniform producer price is \$5.67 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.4 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of 40 cents above August 1966 Order producer price of \$5.27.

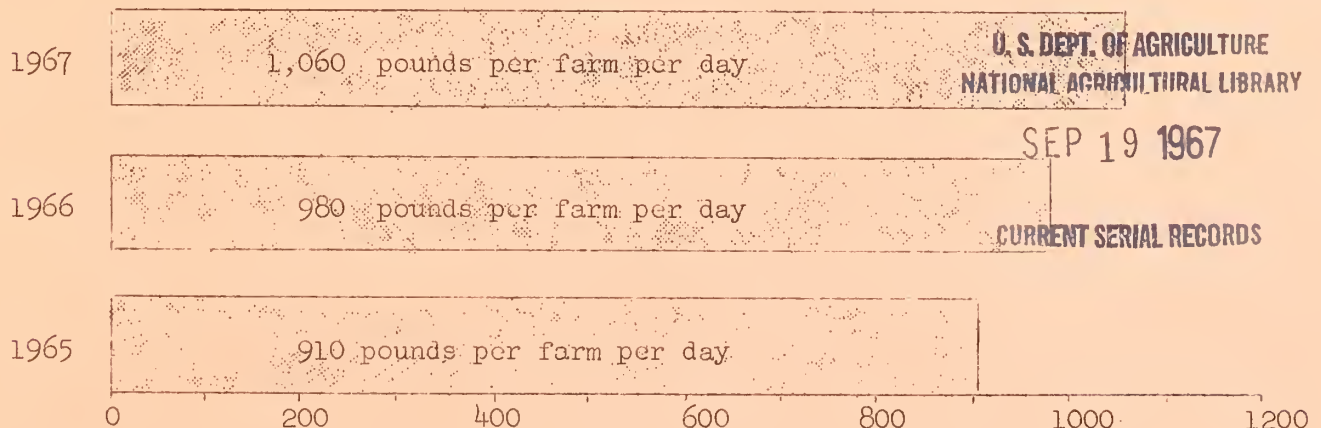
In August 1967, 75.9% of the producer milk received by pool plants was priced in Class I at \$6.24 per cwt. and 24.1% was priced in Class II at \$3.97 per cwt. The August butterfat differential for Class I was 8.6 cents and Class II was 7.7 cents.

Total producer milk received during August 1967 was 17,437,827 pounds which is a decrease of 1,239,002 pounds or 6.6% compared with August 1966. The August daily average deliveries per farm from 548 producers was 1,026 pounds. This compares to 602 farms delivering a daily average of 1,001 pounds per day during August 1966.

AMENDMENT HEARING REQUESTED

The USDA has received a request for a public hearing to consider proposals to amend the Chattanooga Order with reference to several subject matters, including an expansion of the marketing area. Notice has been mailed to handlers and other known interested parties that the department is considering calling a public hearing. Proposals and the reasons therefor should be mailed in quadruplicate to the Deputy Administrator, Regulatory Programs, C&MS, USDA, Washington, D. C., on or before September 15, 1967. If a hearing is called, it will be open to anyone who desires to present testimony. However, the matters to be considered at such a hearing will be limited to issues described in the notice of hearing.

COMPARISON OF DAILY AVERAGE POUNDS DELIVERED PER FARM PER DAY
(January thru August)



The comparisons in the above graph show milk deliveries have increased 150 pounds or 16.5 percent per farm per day during the past two years.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Aug. '67 Over Aug. '66	Aug. 1967 8	July 1967 8	Aug. 1966 9
Number of Plants (Pool and Non-Pool)				
RECEIPTS POUNDS (DAILY AVERAGE)				
Producer Milk	- 6.6	562,511	556,478	602,478
Other Source	+ 2.0	19,838	22,847	19,446
Other Federal Orders	+786.5	45,644	46,546	5,149
TOTAL MILK RECEIPTS	+ 0.1	627,993	625,871	627,073
UTILIZATION POUNDS (DAILY AVERAGE)				
Class I Uses				
Homo Milk	- 2.5	344,994	331,945	353,910
Regular Skim	+ 8.4	16,446	15,878	15,170
Special Skim - (2% Milk)	+ 85.4	32,878	32,291	17,737
Buttermilk	+ 5.4	40,162	40,241	38,111
Flavored Milk and Drink	- 0.5	14,265	12,967	14,336
Creams (Sweet and Sour)	+ 13.1	2,920	2,992	2,581
Sub-Total - Pkg. Products (Pool Plants)	+ 2.2	451,665	436,314	441,845
Other (Shrinkage, Inventory, etc.)		2,899	7,159	1,887
Sales to Non-Pool Plants		13,604	22,527	19,772
In-Area Sales by Non-Pool Plants		1,356	1,337	4,164
TOTAL CLASS I MILK	+ 0.4	469,524	467,337	467,668
Class II Uses - Pool Plants				
Ice Cream Mixes	- 3.5	51,578	43,249	53,450
Cottage Cheese	- 6.6	31,335	31,989	33,564
Powdered and Condensed Milk		22,446	44,134	31,810
Livestock Feed and Skim Dumped		5,691	6,277	6,081
Sub-Total - Used to Produce	- 11.1	111,050	125,649	124,905
Shrinkage Class II		10,219	9,996	8,792
Other (Inventory Variation, etc.)		7,269	2,550	4,246
Bulk Sales to Non-Pool Plants		29,931	20,339	21,462
TOTAL CLASS II MILK	- 0.6	158,469	158,534	159,405
Class I Pounds in Area - Pool Plants	- 3.0	270,116	272,192	278,357
Class I Pounds Out of Area - Pool Plants	+ 7.0	198,052	193,808	185,147
Class I Pounds in Area - Non-Pool Plants		1,356	1,337	4,164
% Producer Milk of Gross Class I		119.8	119.1	128.8
% Producer Milk Priced in Class I		75.9	76.8	76.5

CLASS I MINIMUM PRICE COMPUTATIONS INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Sept. '67	Aug. '67	Sept. '66
Per § 1090.51(a), Amended			
Basic Formula	\$4.05	\$4.05	\$4.26
Plus Class I Differential <u>1/</u>	1.95	1.95	1.75
Supply-Demand Adjustment	0.16	0.24	(0.14)
Class I Price, 3.5% Butterfat	\$6.16	\$6.24	\$5.87

SEPTEMBER 1967

Supply-Demand Comparison: 2nd and 3rd preceding months: June and July	
Supply: Lbs. Producer Milk (June 17,547,782 and July 17,250,836)	34,798,618
Demand: Lbs. Net Class I Milk (June 14,460,248 and July 14,445,999)	28,906,247
Utilization Percentage: Producer milk divided by Class I	120
Standard Utilization Percentage: Range 128-132	128
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 8
September Supply-Demand Adjustment: 2 cents x 8 percentage points	Plus \$0.16

1/ Increased 20 cents - May 1967 through April 1968.

COMPUTATION OF PRODUCER UNIFORM PRICE

AUGUST 1967	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		14,555,257	3.464		
Less Other Source		1,311,654	3.218		
Producer Milk Class I	75.9	13,243,603	3.488477	\$6.230090	\$ 825,088.39
Gross Class II		4,912,521	4.843		
Less Other Source		718,297	3.173		
Producer Milk Class II	24.1	4,194,224	5.128768	5.224151	219,112.60
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	17,437,827	3.883007		1,044,200.99
Add Fractional Adjustment					.02
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		249,820			12,001.97
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					6,369.01
TOTAL VALUE AT TEST		17,687,647	3.854017	6.007424	1,062,571.99
Less Test over 3.5% @ 8.4¢ per point		17,687,647	.354017	.297374	52,598.46
TOTAL UTILIZATION VALUE AT 3.5%		17,687,647	3.5	5.710050	1,009,973.53
Less Producer-Settlement Fund Reserve		17,687,647		.040050	7,083.90
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		17,687,647	3.5	\$5.67	\$1,002,889.63

AUGUST 1967 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$5.25	3.6	\$5.754	4.2	\$6.258	4.8	\$6.762	5.4	\$7.266
3.05	5.292	3.65	5.796	4.25	6.30	4.85	6.804	5.45	7.308
3.1	5.334	3.7	5.838	4.3	6.342	4.9	6.846	5.5	7.35
3.15	5.376	3.75	5.88	4.35	6.384	4.95	6.888	5.55	7.392
3.2	5.418	3.8	5.922	4.4	6.426	5.0	6.93	5.6	7.434
3.25	5.46	3.85	5.964	4.45	6.468	5.05	6.972	5.65	7.476
3.3	5.502	3.9	6.006	4.5	6.51	5.1	7.014	5.7	7.518
3.35	5.544	3.95	6.048	4.55	6.552	5.15	7.056	5.75	7.56
3.4	5.586	4.0	6.09	4.6	6.594	5.2	7.098	5.8	7.602
3.45	5.628	4.05	6.132	4.65	6.636	5.25	7.14	5.85	7.644
3.5	5.67	4.1	6.174	4.7	6.678	5.3	7.182	5.9	7.686
3.55	5.712	4.15	6.216	4.75	6.72	5.35	7.224	5.95	7.728

MILK SAMPLES TESTED - Producer Fresh Samples 4,398 - Handler Finished Products 190.

MILK BASE RULES

The following rules apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
 1. All base transfers shall be signed by the person transferring base and the person receiving base.
 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Aug. '66	\$5.27	-	-	9.0¢	\$5.84	9.3¢	\$3.49	8.4¢
Sept.	5.66	-	-	9.4	5.87	9.5	4.25	8.6
Oct.	5.65	-	-	9.2	6.01	9.7	3.99	7.9
Nov.	5.68	-	-	8.6	6.09	8.9	3.95	7.8
Dec.	5.65	-	-	8.4	6.07	8.8	3.90	7.6
Jan. '67	5.62	-	-	8.2	6.09	8.6	3.90	7.6
Feb.	5.50	-	-	8.2	6.05	8.6	3.37	7.6
Mar.	5.36 ^{2/}	\$5.54	\$3.33	8.2	5.92	8.6	3.37	7.6
Apr.	5.19 ^{2/}	5.45	3.31	8.2	5.94	8.6	3.35	7.6
May	5.33 ^{2/}	5.54	3.32	8.2	6.00	8.6	3.36	7.6
June	5.47 ^{2/}	5.68	3.33	8.2	6.16	8.6	3.37	7.6
July	5.56 ^{2/}	5.76	3.33	8.2	6.24	8.6	3.37	7.6
Aug.	5.67	-	-	8.4	6.24	8.6	3.97	7.7
Sept.	-	-	-	-	6.16	8.7	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter	Minn/Wisc. Mfg. Milk	Basic Formula	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	\$-cwt-3.5%	Lbs.	Test	Lbs.	Test
Aug. '66	73.05	4.26	4.26	460,875	3.55	141,603	4.88
Sept.	74.88	4.34	4.34	549,013	3.58	68,902	6.92
Oct.	68.80	4.26	4.26	499,096	3.65	86,340	7.07
Nov.	67.70	4.15	4.26 ^{4/}	474,427	3.56	90,840	7.53
Dec.	66.49	4.14	4.26 ^{4/}	476,665	3.59	98,955	7.27
Jan. '67	66.47	4.08	4.26 ^{4/}	468,006	3.54	113,708	6.97
Feb.	66.47	4.02	4.15 ^{4/}	451,595	3.50	107,190	6.89
Mar.	66.46	4.01	4.15 ^{4/}	477,073	3.49	125,680	6.04
Apr.	66.45	3.98	4.05 ^{4/}	463,179	3.50	180,580	4.97
May	66.47	3.96	4.05 ^{4/}	458,593	3.51	152,870	5.28
June	66.47	3.96	4.05 ^{4/}	444,378	3.46	140,548	5.30
July	66.47	3.95	4.05 ^{4/}	427,640	3.50	128,838	5.27
Aug.	67.07	3.97	4.05 ^{4/}	427,213	3.49	135,298	5.13

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Aug. '66	9	627,073	467,668	602	602,478	-	3.87	1,001	-	-
Sept.	9	669,440	573,722	591	617,915	-	3.95	1,046	-	-
Oct.	9	641,779	534,469	575	585,436	-	4.15	1,018	-	-
Nov.	9	621,225	507,725	571	565,267	-	4.20	990	-	-
Dec.	10	642,424	511,500	572	575,620	-	4.22	1,006	-	-
Jan. '67	9	645,961	508,383	568	581,714	-	4.21	1,024	-	-
Feb.	9	623,312	489,998	550	558,785	-	4.15	1,016	-	-
Mar.	9	680,040	518,872	562	602,753	554,123	4.02	1,073	986	87
Apr.	9	721,150	500,924	555	643,759	566,415	3.91	1,160	1,021	139
May	9	686,775	497,821	552	611,463	553,010	3.96	1,108	1,002	106
June	8	674,624	483,482	552	584,926	533,490	3.90	1,060	967	93
July	8	625,871	467,337	549	556,478	510,262	3.91	1,014	930	84
Aug.	8	627,993	469,524	548	562,511	-	3.88	1,026	-	-

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I^{4/} Basic Formula "floor" per Order Amendments